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C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000212

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FOR VICE PRESIDENT CHENEY AND SECRETARY GATES FROM
AMBASSADOR GRABER

E.O. 12958: DECL: 03/01/2017

TAGS: QVIP PREL PGOV MARR EZ

SUBJECT: SCENESETTER FOR VISIT OF CZECH PRESIDENT VACLAV
KLAUS

Classified By: Ambassador Richard W. Graber for reasons 1.4 b+d

¶1. (C) Czech President Vaclav Klaus's March 5-9 visit to the United States comes less than two months after the USG proposed negotiations on a missile defense radar facility in the Czech Republic, and one month before Klaus heads to Moscow for meetings with President Putin. It comes as the Czechs are focused on Senate debate on legislation to revise the U.S. visa waiver program, which the Czechs hope will facilitate their entry into the program. And it comes just days after Klaus announced that he intends to seek a second five-year term as President early next year. In short, the visit and Klaus's meetings in Washington will receive considerable scrutiny back in Prague, and offer us an opportunity to pass messages not just to Klaus, but through him to the Czech government and society.

¶2. (C) I see USG objectives for this visit as follows:

-- impressing upon the Czechs that we treat them as a serious partner overall, and specifically in the missile defense negotiations that lie ahead;

-- providing Klaus with a clear message to take to Moscow: on missile defense (the U.S. system is not a threat to Russia), Kosovo, and Iran;

-- making clear USG support for passage of the Voinovich bill amending the visa waiver program, but likewise reminding that the Congress is independent;

-- expressing strong USG appreciation for Czech contributions to the war on terror in Afghanistan, Iraq and the Balkans; and

-- giving a fair hearing to the president who is a firm, if often prickly, friend of the United States.

Domestic political and economic context

¶3. (C) Klaus is the most popular politician in the Czech Republic. He is the founder and honorary chair of the center-right Civic Democratic Party (ODS) that currently leads the government. PM Mirek Topolanek -- Klaus's successor as ODS Chair and someone with whom he has a difficult relationship -- won a vote of confidence on January 19, nearly seven months after elections resulted in a parliament evenly split between left and right. ODS governs with the Christian Democrats and the Greens, and relies on two defectors from the opposition party. ODS is pro-business

and strongly transatlantic so we expect continued strong cooperation with the Czechs, although there will be ongoing concerns over the reliability not only of the two defectors, but also the small Green party, in government for the first time. The Czech economy is very strong, growing at 6% in the past two years and enjoying impressive investment inflows and low inflation; the political uncertainty in the second half of last year had no impact on the real economy. The government is committed to introducing necessary structural reforms, including health care and pension. One major concern is the prevalence of corruption in the public sector: a legacy of Czech history that has proven difficult to confront in the 17 years since the Velvet Revolution.

Missile Defense

¶4. (C) The USG has been discussing potential cooperation with the Czechs on our missile defense program since 2002. We told the Czechs on January 19 this year that we want to begin negotiations on a radar at a site they had offered on a military facility not far from Prague (and at the same time told the Poles we want to negotiate the placement of interceptor missiles in their country). The Czech government reaction was immediate and positive, with the newly confirmed Topolanek government calling a press conference on January 20 to announce the news and promising to work with us. The Czechs have not formally replied to our diplomatic note proposing negotiations, in part because they do not want a large public debate about this in the weeks preceding the late March party congress of the opposition Social Democrats. The politics of MD in the Czech Republic are complicated: Topolanek's ODS strongly supports, as do the small Christian

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Democrats. The Green party is skeptical and is currently not considered fully reliable on the vote that will take place late this year on the negotiated agreement. The Social Democrats are divided, with many of the rank and file opposed, but the party chairman assuring us privately that his party may be able to provide some support in the end. (The remaining party in parliament, the Communists, is firmly opposed.)

¶5. (C) In this context the popular Klaus's voice is important. Klaus has stated on several occasions that he supports the negotiations moving forward, and in theory supports the radar deployment, but will reserve final judgment until all the details are negotiated. Klaus has not stated where he has reservations, and we expect that in the end he will support the facility. But hedging his bets until he can take the pulse of the electorate is a tactic that has made Klaus one of the country's most successful politicians, and we should not expect him to leave Washington as an enthusiastic advocate for the U.S. offer. Instead we should treat Klaus as a serious interlocutor and offer him the supporting arguments that he can use with the Czech population, the Russians, and others.

¶6. (C) Opinion polls show that the Czech public is divided on the radar, with a small majority generally opposing. Proponents highlight the benefits of a U.S. base on Czech soil as a catalyst for closer bilateral relations and, to a lesser extent, the need for the country to contribute to the defense of allies. Arguments against include a fear of increased terrorist attack, concern that a U.S. facility will somehow weaken NATO or the EU, and many questions about the impact that the radar facility would have on nearby residents. There is also concern about the Russian reaction and the possibility that the U.S. MD facilities in Central Europe could spur a new arms race. The debate takes place in the context of still-strong memories of the Soviet military who maintained bases in the country from after the 1968 invasion until the early 1990s (including at the location planned for the radar). The embassy, with strong support

from the U.S. Missile Defense Agency, is engaged in an active effort to provide factual information and educate politicians and local residents. We, like the Topolanek government, are confident that the votes will be found to pass the eventual agreement we negotiate. Of particular importance to many politicians (although not necessarily to Klaus) will be defining a link between the proposed U.S. facility and NATO.

Visa waiver program reform

17. (C) Revising the U.S. visa waiver program (VWP) to facilitate the entry of allies like the Czech Republic -- strong partners in NATO and the war on terror, and EU members -- is very important to the Czechs. While President Klaus has generally considered the visa question too mundane to engage on, he apparently did discuss the issue with President Bush at the Riga NATO Summit, immediately following the President's announcement in Tallinn that he intended to seek changes in the VWP, so I expect Klaus may raise this in Washington. We want to assure Klaus that the administration is following through on the President's Tallinn promise, but also keep Czech expectations in check by reminding that border security is a sensitive topic and success in the Congress is not guaranteed.

Czech support for U.S. policy goals

18. (C) The Czechs maintain approximately 100 soldiers in Iraq, training police and providing force protection under British command near Basra. In the wake of the announcement of a partial British drawdown in Iraq, the Czech government confirmed that they have no plans to reduce their deployment this year. The Czechs will have around 300 troops in Afghanistan this year, where they currently have command of the Kabul airport, will deploy a military hospital later this month, and are participating in the German PRT at Feyzabad. The Czechs are discussing taking over leadership of the PRT at Pol-e-Khomri next year. The largest Czech deployment is in the Balkans, where they currently have close to 450 soldiers, the vast bulk in Kosovo. The Czechs have strongly supported U.S. objectives in these countries and elsewhere. They support the Ahtisaari plan for Kosovo and U.S.-led

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efforts on Iran. The Czechs are also strong advocates for democracy in places like Cuba and Belarus, and contribute to this effort by hosting the headquarters of Radio Free Europe/Radio Liberty. President Klaus himself, while a firm believer in personal freedom, has been skeptical of the democracy promotion efforts that were a hallmark of his predecessor (and political opponent) Vaclav Havel. Of note, Klaus was a critic of the U.S.-led invasion of Iraq, believing that democracy cannot be imposed.

President Klaus: his personality and agenda

19. (C) Klaus has a three-part agenda for his week-long trip to Washington: he wants to have what his staff term a "high-level dialogue" on issues of mutual concern, including missile defense, Iraq and Afghanistan; promote trade and cultural ties with the southern United States; and reach out to Czech expatriates. Klaus will visit Houston (including a meeting with former President Bush), New Orleans and Alabama before arriving in Washington. He will be accompanied by the Deputy Ministers of Foreign Affairs, Defense, and Trade; the Vice Chairmen of the upper and lower houses of Parliament; and the newly-appointed Chairman of the General Staff, General Vlastimil Picek. This is an impressive delegation and reflects the importance Klaus places on this trip.

¶10. (C) Klaus is a complicated individual. Three points are important. First, Klaus is instinctively pro-American. While he does not hesitate to criticize USG policies with which he disagrees, he respects our country for being the best manifestation of the two ideals Klaus holds sacred: individual liberty and free markets. A fluent English speaker and prolific writer, Klaus travels frequently to the U.S. to lecture (he was honored to be invited in January as the sole foreign guest at a University of Chicago symposium remembering Milton Friedman).

¶11. (C) Second, Klaus is proud to consider himself an intellectual. He has an extremely high opinion of his own intellect, and as a result can come across as dismissive of others. In his Washington meetings Klaus will prefer to focus on global questions to the extent possible. Interestingly, Klaus is able to combine his intellectual air with an impressive common touch, largely by acting as a strong leader who rarely takes public stands on sensitive domestic issues.

¶12. (C) Finally, Klaus is a devoted libertarian and gadfly. He relishes stirring up controversy, mainly among international audiences, by showing complete disdain for what he sees as political correctness. He is perhaps best known for his contrarian views on European integration, railing against excessive regulation and the creeping loss of national sovereignty. A new cause is "environmentalism" which he sees as the latest harmful ideology emanating from the political left (he has likewise criticized "NGO-ism" as a force usurping national authority). Klaus will give a speech at the CATO Institute on March 9 devoted to "environmentalism." In a press interview last month Klaus termed global warming a "myth" that has absolutely no basis in science and promised to continue to speak out to expose this myth. This interview was rapidly picked up by bloggers and reached the attention of Senator Inhofe, who we understand tried to arrange a meeting with Klaus during his visit (but schedule conflicts prevented this).

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